

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Empowering Consumer to Avoid Bill Shock)	CG Docket No. 10-207
)	
Consumer Information and Disclosure)	CG 09-158

**COMMENTS OF
RURAL CELLULAR ASSOCIATION**

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Table of Contents

Summary	3
I. Introduction.	5
II. A Bill Shock Mandate is Costly and Particularly Detrimental to Small and Regional Carriers and Consumers; Certain Provisions are Impossible to Implement.	6
A. Bill Shock Alerts are Too Costly for Rural and Regional Carriers.	6
B. Certain Provisions are Impossible for Rural and Regional Carriers to Implement.	8
III. A Bill Shock Mandate is Unnecessary as Applied to RCA Members.	9
IV. RCA Members Offer Alternative, Flexible Measures to Mitigate Bill Shock.	12
V. Challenges in the Market; Empowering Consumers.	16
VI. Conclusion.	18

Summary

RCA urges the Commission not to impose unnecessary and costly bill shock obligations on rural and regional carriers. RCA agrees with the Commission that consumers should have the benefit of relevant billing information. RCA understands there are many wireless carriers that do not provide the same level of customer service as our members. However, not all carriers have the same billing system. RCA strongly urges the FCC not to adopt a rigid, one-size-fits-all customer service requirement. Bill shock mitigation is more appropriately addressed by each individual carrier.

Billing system upgrades are costly and would be particularly detrimental to rural and regional carriers and their customers because they present a flat cost to mobile wireless carriers regardless of their size. Smaller carriers cannot distribute these upgrade costs across a large number of customers, thereby exponentially increasing the upgrade cost per customer when compared to national carriers. In addition to the economic harm that the FCC's bill shock proposal would cause to rural and regional carriers, lack of fair roaming capability and associated technical limitations make the FCC's bill shock proposal impossible for RCA members to implement.

Requiring rural and regional carriers to implement automated usage alerts is not necessary. For example, many RCA members have already adopted internal practices and procedures to address billing concerns directly with their customers. Also, some RCA members are currently testing programs that allow customers to re-rate their plan. Not only do RCA members provide numerous bill shock mitigation tools, but many RCA members have voluntarily adopted CTIA's Consumer Code for Wireless Service. RCA carrier members have had great success retaining customers and keeping churn rates low because of the individual attention they pay to each customer, including monitoring customers' bills and wireless usage. In fact, customers are more likely to abandon small carriers because of the inability to provide access to the latest devices and smartphone functionality as opposed to a billing error.

Further, rural and regional mobile service providers face particularly difficult hurdles and competitive challenges in the current wireless marketplace. RCA members distinguish themselves in this difficult market by providing excellent customer service, including detailed account information. The best way the FCC can achieve its goals of ensuring robust competition, maximizing consumer welfare, and building out broadband in rural America is to address the challenges that rural and regional carriers and consumers are currently experiencing. If the Commission truly wants to empower consumers, it should eliminate handset exclusivity, mandate automatic data roaming, and ensure interoperability throughout the 700 MHz spectrum band.

If it is compelled to adopt bill shock requirements, we encourage the Commission to adopt flexible measures that would not unduly burden rural and regional carriers such as overage caps, re-rating customers to a more suitable plan, or delayed implementation for rural and regional carriers.

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Rural Cellular Association (RCA)¹ hereby submits these Comments in response to the Federal Communications Commission's (FCC or Commission) Notice of Proposed Rulemaking² (*NPRM*) seeking comment on proposed rules that would require mobile service providers, including RCA members, to provide usage alerts and information that will assist consumers in avoiding unexpected charges on their bills. Rural and regional mobile service providers face particularly difficult hurdles and competitive challenges in the current wireless marketplace. RCA members distinguish themselves in this difficult market by providing excellent customer service, including detailed account information. As it seemed to acknowledge throughout the *NPRM*,³ the FCC's bill shock alerts will burden rural and regional carriers with costly system upgrades. The FCC should balance the consumer benefits of relevant and immediate wireless billing alerts with the burdens the proposed

¹ RCA is an association representing the interests of nearly 100 regional and rural wireless licensees providing commercial services to subscribers throughout the Nation and licensed to serve more than 80 percent of the country. Most of RCA's members serve fewer than 500,000 customers.

² See *Empowering Consumers to Avoid Bill Shock Consumer Information and Disclosure*, CG Docket Nos. 10-207 and 09-158, Notice of Proposed Rulemaking (October 14, 2010) (*Bill Shock NPRM*).

³ *Bill Shock NPRM* ¶¶ 20, 21, 22, 23, 24.

regulations will have on RCA members. The FCC should not curtail the growth of mobile services⁴ with unnecessary, costly and, in many cases, impractical regulations.

I. Introduction.

RCA agrees with the Commission that consumers should have the benefit of relevant and timely billing information. RCA understands there are many wireless carriers that do not provide the same level of customer service as our members⁵ and applauds the FCC for attempting to augment standards of service quality for the benefit of wireless consumers. However, not all carriers have the same billing system. RCA strongly urges the FCC not to adopt a rigid, one-size-fits-all customer service program. Billing system upgrades are costly and would be particularly detrimental to rural and regional carriers and their customers. Rural and regional carriers should not be subjected to a bill shock mandate as a result of the largest national carriers' unwillingness to provide high quality and informative customer service. Bill shock mitigation is more appropriately addressed by each individual carrier.

For example, many RCA members have already adopted internal practices and procedures to address billing concerns directly with their customers.⁶ If the FCC is compelled to adopt bill shock requirements, we encourage the Commission to adopt flexible measures that would not unduly burden rural and regional carriers such as overage caps, re-rating customers to a more suitable plan, and/or delayed implementation for rural and regional carriers.

Moreover, automatic bill shock alerts will impose an undue and burdensome cost for rural and regional carriers, ultimately borne by the rural consumer. Instead, if the

⁴ *Bill Shock NPRM* ¶ 1.

⁵ See *Verizon Wireless Data Usage Charges*, File No. EB-09-TC-458, Account No. 201132170001, FRN No. 0019212406, Order (October 28, 2010) (*Verizon Forfeiture Order*).

⁶ See Exhibit A for examples of RCA members' customer service offerings.

Commission truly wants to empower consumers, it should eliminate handset exclusivity, mandate automatic data roaming, and ensure interoperability throughout the 700 MHz spectrum band, thus giving consumers more choices in every market.

II. A Bill Shock Mandate is Costly and Particularly Detrimental to Small and Regional Carriers and Consumers; Certain Provisions are Impossible to Implement.

Requiring rural and regional carriers to institute automatic usage alerts and cut-off mechanisms would impose burdensome and costly requirements, ultimately borne by the customer. Further, certain of the FCC's bill shock proposals are impossible for RCA members to implement.

A. Bill Shock Alerts are Too Costly for Rural and Regional Carriers.

RCA fully supports the Commission's goal of providing consumers timely information about their service usage, as well as clear disclosure of available tools to limit overages and review their usage history.⁷ However, the FCC's proposal to require real-time notifications⁸ would prove cost-prohibitive to rural and regional carriers. An automatic bill shock mandate is particularly detrimental to rural and regional carriers. Billing system upgrades present a flat cost to mobile wireless carriers regardless of their size. Similar to rural and regional carriers' experiences with other network upgrades,⁹ smaller carriers cannot distribute these upgrade costs across a large number of customers, thereby exponentially increasing the upgrade cost per customer when compared to national carriers. Additionally, add-on upgrades, such as automatic bill shock alerts, may only be incorporated into the next

⁷ *Bill Shock NPRM* ¶ 4.

⁸ *Bill Shock NPRM* ¶ 20.

⁹ See letter from Rebecca Murphy Thompson, General Counsel for Rural Cellular Association, to Marlene H. Dortch, Federal Communications Commission, filed in WC Docket No. 07-114 (June 30, 2010); see also letter from Todd Lantor, Counsel to Rural Cellular Association, to Marlene H. Dortch, Secretary of the Federal Communications Commission, filed in WC Docket No. 07-114 (May 4, 2010).

billing system upgrade. Requiring an unscheduled upgrade to the most recent version for an automatic bill shock alert upgrade will result in significant, immediate costs. Therefore, imposing mandatory notification regulations will result in sudden and disproportionate increases in charges on consumers' wireless bills.

If forced to impose automatic bill shock alerts, rural and regional carriers would have to upgrade their networks and billing systems to provide automatic usage alerts, which is very costly. Many RCA carrier members' billing systems are not currently configured to institute usage alerts. RCA carrier members spent a significant amount of money instituting their current billing systems. Asking rural and regional carriers to upgrade their billing systems and networks to institute blanket bill shock prevention measures, which are more efficiently and effectively accomplished by RCA members on a case-by-case basis, would cause severe economic strain, particular to smaller carriers. RCA provides examples of this below.

RCA members estimated the cost to implement the FCC's proposed real-time notifications and alerts to be around \$2 million per carrier, which would include installation, testing, and launch. It would take an average RCA member many years to recuperate the cost for this system. RCA members would be forced to pass this cost onto their subscribers. Because an average RCA member has 20,000 subscribers, the average \$2 million expense to upgrade a billing system to add automated bill shock alerts would cost approximately \$100 per subscriber. This amount equals more than most RCA member customers pay for two months of service.

Two RCA members have recently undergone billing systems upgrades as a result of a merger, acquisition or streamlining for new services offered. Their current upgrades do not include technically complicated changes such as automated functions because the companies

could not afford these changes. Nevertheless, these members have spent millions on these billing systems upgrades. The additional cost to implement automated bill shock alerts will financially cripple these two members, which have only started to implement their new billing systems at significant expense. This cannot be what the FCC envisioned when proposing to this change.

B. Certain Provisions are Impossible for Rural and Regional Carriers to Implement.

In addition to the economic harm that the FCC's bill shock proposal would cause to rural and regional carriers, lack of fair roaming capability and associated technical limitations make the FCC's bill shock proposal impossible for RCA members to implement.¹⁰ Based on current roaming agreements, one RCA member receives its roaming records from another carrier only once a month. Therefore, roaming records can take more than 30 days to reach the system, making real-time notifications on usage impossible. One RCA member explained the affirmation process for overage messages if a customer is roaming is a significant hurdle. These types of hurdles are not nearly as formidable for the larger carriers because their networks are so expansive that their customers are seldom, if ever, in a roaming environment.

There are other factors that make automated bill shock measures virtually impossible to implement. Rural and regional carriers have difficulty acquiring the latest handsets or smartphones. As a result, many of the phones that RCA members offer do not have the proper functionality for automated bill shock alerts. Also, real-time alerts for voice service overages may not be received in time to prevent an overage due to technical network and technology limitations, especially when customers are roaming outside the home territory of their carrier. This is the most likely scenario for a customer to amass overages.

¹⁰ *Bill Shock NPRM* ¶ 22.

The FCC was cognizant of the potential increased burden on smaller carriers.¹¹ In seeking a cost-effective means for information disclosure,¹² the FCC must evaluate the burdens that automated bill shock requirements would impose on rural wireless carriers and other small service providers. While RCA appreciates the Commission’s attempt to reduce the chance of “bill shock,” the above estimates demonstrate that mandatory notification regulations will have the result of providing rural and regional consumers an unexpected and disproportionate increase in charges on their wireless bills and will cause RCA members undue economic harm.

III. A Bill Shock Mandate is Unnecessary as Applied to RCA Members.

Requiring rural and regional carriers to implement automated usage alerts and controls is not necessary. Many RCA members’ consumers do not experience bill shock as the FCC has described, many RCA members have voluntarily adopted internal customer controls, and some RCA members are currently testing programs that allow customers to re-rate their plan.¹³ RCA understands that many wireless carriers that do not provide the same level of customer service as RCA members.¹⁴ But a one-size-fits-all approach is not appropriate in this circumstance. In fact, an FCC mandate could substantially alter the high quality and personalized consumer-service provider experience currently provided by smaller carriers.

¹¹ *Bill Shock NPRM* ¶¶ 20, 21, 22, 23, 24.

¹² *2009 Consumer Information and Disclosure NOI*, ¶ 5.

¹³ In fact, some RCA carrier members have instituted automated consumer protection and bill shock prevention measures, including automatic overage alerts.

¹⁴ *Verizon Forfeiture Order*. The FCC recently settled an investigation into whether Verizon Wireless overcharged its customers for “mystery fees” from data services. As a part of the settlement, Verizon Wireless agreed to pay \$25 million to the U.S. Treasury and to immediately refund a minimum of \$52.8 million to approximately 15 million customers and ensure that consumers are no longer charged these “mystery fees”. RCA members should be not penalized for Verizon’s poor customer service and consumer accountability.

In its *NPRM*, the FCC states that “voluntary efforts have proven insufficient thus far to adequately protect consumer from bill shock.”¹⁵ This statement is incorrect as applied to RCA members. RCA members’ consumers have rarely complained, either internally or through a public complaint process, about receiving larger than expected bills. Over the past year, many RCA members have not received a single complaint about billing overages. Most RCA members received fewer than five complaints about billing overages. As is the case with most rural and regional carriers, many RCA members attempt to immediately address these complaints to customer satisfaction. For example, several RCA members provide caps of \$50 or \$100 on all overage charges. Other RCA members will remove overage charges from their customers’ bills, and offer to re-rate these customers to a more appropriate plan. Some RCA members are already providing automated bill shock alerts.

Requiring RCA members to implement automated usage alerts and controls is unnecessary because many RCA members have voluntarily adopted internal customer controls. RCA carrier members provide their customers with accurate and detailed account and billing information, both on their monthly bills and through online resources. RCA carrier members’ best competitive tools are stellar customer service and high customer satisfaction.¹⁶ RCA carrier members have had great success retaining customers and keeping churn rates low because of the individual attention they pay to each customer, including monitoring customers’ bill and wireless usage. RCA carrier members’ customer service representatives are available to walk customers through calling plans and potential rate changes, and they do so routinely. In addition, RCA carrier members have online tools for customers to monitor and track their wireless usage and to educate and inform customers

¹⁵ *Bill Shock NPRM* ¶ 17.

¹⁶ See *Best Phones and Plans: Here’s How to Get the Best Cell-phone Deal Amid Changing Choices*, Consumer Reports, Jan. 2011.

about new calling plans that may provide a better individual fit. Moreover, customers are more likely to abandon small carriers because of the inability to provide access to the latest devices and smartphone functionality as opposed to a billing error.

Between imposing internal bill shock prevention methods, self-regulating and adopting voluntary industry best practices, and implementing state consumer protection regulations, an FCC bill shock mandate is not necessary. RCA carrier members continue to make efforts toward achieving the Commission's goal of empowering consumers¹⁷ and increasing customer satisfaction with the industry's services and products.¹⁸ A good example of how an RCA member is responding to consumer requests is U.S. Cellular's Belief Project. The Belief Project recognizes customer loyalty with freedom from continuous contracts, earlier phone upgrades and discounts, and a \$50 cap on overage charges on voice service. In fact, U.S. Cellular was recently rated the best regional carrier and ranked number one in customer satisfaction for service under a contract.¹⁹

Before adopting an onerous billing requirement, the FCC must take note of successful efforts by rural and regional carriers to provide useful information to consumers about service selection and billing.²⁰ Carriers must continue to have the flexibility to modify, update and enhance billing and notification procedures as customer demands and the tools for conveying information to customers evolve. Carriers must also be free to identify cost-efficient alternatives to a rigid regulatory requirement that would place a relatively greater burden on rural and regional consumers.

¹⁷ Omnibus Broadband Initiative, FCC, CONNECTING AMERICA: THE NATIONAL BROADBAND PLAN at 9, 11 (Mar. 16, 2010) ("Broadband Plan").

¹⁸ See 2009 Consumer Information and Disclosure NOI, ¶ 49.

¹⁹ See *Best Phones and Plans: Here's How to Get the Best Cell-phone Deal Amid Changing Choices*, Consumer Reports, Jan. 2011, at 26, 36.

²⁰ See RCA Comments at 5, CG Docket No. 09-158; CC Docket No. 98-870; and WC Docket No. 04-36 (filed Oct. 13, 2009).

IV. RCA Members Offer Alternative, Flexible Measures to Mitigate Bill Shock.

As it correctly noted, in seeking a cost-effective means to information disclosure,²¹ the Commission must balance consumer protections and expectations with the costs and technical limitations that might arise by imposing additional requirements.²² As detailed in Section I, the burdens that automated bill shock requirements will impose on rural wireless carriers and other small service providers outweigh consumer expectations. The FCC asks whether usage alert systems exist or other tools that have been proven particularly helpful to consumers in avoiding bill shock that it should consider incorporating.²³ RCA has provided detailed examples of existing tools that its members use to mitigate bill shock to remain viable in the wireless market in Section III. Further, for RCA members, carefully tailored efforts to minimize bill shock and their personal attention in the event of higher than typical charges provide one of the few competitive advantages. Attached, as Exhibit A, is a list of a sampling of RCA members' usage alert systems and other tools that have been proven helpful to consumers in avoiding bill shock. The FCC should not prescribe the types of customer service and management tools. Rather, the FCC should allow carriers to select the types of customer service and management tools that best fit the needs of their subscribers.

Not only do RCA members provide numerous bill shock mitigation tools, but many RCA members have voluntarily adopted CTIA's Consumer Code for Wireless Service (Consumer Code).²⁴ As signatories to the Consumer Code, RCA members have voluntarily

²¹ 2009 Consumer Information and Disclosure NOI, ¶ 5.

²² *Bill Shock* NPRM ¶ 21.

²³ *Bill Shock* NPRM ¶ 20.

²⁴ CTIA, "Consumer Code for Wireless Service" (Consumer Code), accessed at http://www.ctia.org/consumer_info/service/index.cfm/AID/10352. Being designated as Eligible Telecommunications Carriers (ETCs) qualified to receive universal service support, most RCA members are signatories to the Consumer Code. CTIA recently updated its Consumer Code, effective January 1, 2011. Signatories agree to adhere to the Code's 10 points, including

agreed to disclose rates and terms of service to consumers at the time of the sale and on their websites. These terms include monthly access charges, number of minutes in the calling plan, charges for overages, roaming charges, and other charges collected by the carrier. As called for under the Consumer Code, RCA carrier members also make coverage maps available at the time of the sale and in continually updated form on their websites. Customers are always informed of the carriers' calling areas and, in turn, where and when a customer may incur roaming or off-network charges. Finally, in addition to internal and self-imposed bill shock prevention measures, wireless carriers are also subject to state consumer protection regulations.

If the FCC is compelled to adopt bill shock requirements, we encourage the Commission to adopt flexible measures, as described above. Alternatively, or in addition, the FCC should adopt varying implementation schedules for larger carriers and for rural and regional carriers to “alleviate the burden for smaller providers.”²⁵ RCA members need a delayed implementation schedule to defray over time the significant flat cost of implementation. RCA members upgrade their billing system on an average of once every five to ten years. To coordinate an automatic bill shock upgrade, implementation for rural and regional carriers should be delayed at a minimum of five years from implementation. Regardless, the implementation schedule for rural and regional carriers should not commence until resolution of the current proceeding examining fair data roaming procedures.²⁶

commitments to disclose rates, additional taxes, fees, surcharges and terms of service; provide coverage maps; make customer service readily accessible; and allow a trial period for new service.

²⁵ *Bill Shock NPRM* ¶ 23.

²⁶ For example, when the FCC finally enacts automatic data roaming regulations, rural and regional carriers will likely have to make billing system upgrades to account for data roaming charges. Making additional billing system changes for bill shock purposes would be more effective and cost efficient

Rural and regional carriers are already struggling to build out 3G and 4G networks, as their customers demand access to the latest broadband technology at the fastest speeds. Some of the financial challenges rural and regional carriers currently face²⁷ include difficulties securing data roaming at reasonable terms and rates and loss of data roaming revenue and data roaming partners from consolidation in the wireless market,²⁸ the anti-competitive effects of handset exclusivity,²⁹ the current and increasing cap and potential phase-down of much-needed USF support to deploy in remote or high-cost areas,³⁰ the on-going economic

when as carriers are already upgrading their systems, and can engage system vendors on multiple projects at one time.

²⁷ Despite these challenges, RCA members have and will continue to provide the innovative, quality, cost-efficient services that rural and regional consumers enjoy and deserve. To compete with the large, dominant carriers, RCA members continue to explore new opportunities to implement 3G and 4G services and look to bring the benefits of new wireless technologies to their customers. The Commission is well aware of the obstacles highlighted above, having recognized them in the National Broadband Plan and the most recent Mobile Wireless Competition Report. See Broadband Plan at 49; *see also* Matthew Lasar, “Genachowski: FCC Will Probe Exclusive Handset Deals,” ARS TECHNICA, June 21, 2009, *available at* <http://arstechnica.com/tech-policy/news/2009/06/genachowski-tells-kerry-hell-probe-wireless-handsets-and-lots-more.ars>; *see also* *Reexamination of Roaming Obligations of Commercial Mobile Radio Service Providers*, WT Docket No. 05-265, Report and Order and Further Notice of Proposed Rulemaking, 22 FCC Rcd 15817 (2007); *see also* *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services*, WT Docket No. 09-66, Fourteenth Report, FCC 10-81 (May 20, 2010) (*Fourteenth Report*).

²⁸ *See Ex Parte* Letter from Rebecca Murphy Thompson, RCA General Counsel, and Caressa D. Bennet, RTG General Counsel, to Marlene H. Dortch, Secretary, FCC, filed in WT Docket No. 05-265 (Nov. 12, 2010); *see also* RCA Comments, filed in WT Docket No. 05-265 (June 14, 2010); *see also* RCA Reply Comments, filed in WT Docket No. 05-265 (July 12, 2010).

²⁹ *See* Petition for Rulemaking Regarding Exclusivity Arrangements between Commercial Wireless Carriers and Handset Manufacturers, Rural Cellular Association, filed in RM-11497 (May 20, 2008); *see also* *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary, FCC, filed in RM-11497 (July 14, 2010); *see also* *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary, FCC, filed in WC Docket No. 05-337; CC Docket No. 96-45; WT Docket No. 05-265; WT Docket No. 09-66; and RM-11592 (June 17, 2010).

³⁰ *Connect America Fund, A National Broadband Plan for Our Future, High-Cost Universal Service Support*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 05-337, Notice of Inquiry and Notice of Proposed Rulemaking, FCC 10-58, 2010 WL 1638319 (Apr. 21, 2010) (*NOI and NPRM*); *see also* RCA Comments, filed in WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 05-337 (July 12, 2010); *see also* RCA Reply Comments, filed in WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 05-337 (Aug. 11, 2010).

downturn, and lack of interoperability in the 700 MHz spectrum band.³¹ Rural and regional carriers cannot afford a costly billing requirement in the midst of so much regulatory uncertainty. To properly plan and budget for this type of onerous billing requirement, RCA members have suggested a delayed implementation schedule of five years. Further, due to technical impossibilities, the FCC should exempt rural and regional carriers from bill shock alerts as they relate to roaming overages.

³¹ See 700 MHz Block A Good Faith Purchasers Alliance Petition for Rulemaking, filed in RM-11592 (Sept. 29, 2009); see also RCA Comments at 19-20, filed in RM-11592 (March 31, 2010); see also Wireless Telecommunications Bureau Seeks Comment on Petition for Rulemaking Regarding 700 MHz Band Mobile Equipment Design and Procurement Practices, Public Notice, RM No. 11592, DA 10-278 (Feb. 18, 2010); see also *Ex Parte* Letter from Todd B. Lantor, Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary, FCC, filed in RM-11592 (March 12, 2010); see also *Ex Parte* Letter from Todd B. Lantor, Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary, FCC, filed in RM-11592 (April 9, 2010); see also *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary, FCC, filed in WC Docket No. 05-337; CC Docket No. 96-45; WT Docket No. 05-265; WT Docket No. 09-66; RM-11592 (June 17, 2010); see Comments of Rural Cellular Association, *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993; Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless including Commercial Mobile Services*, filed in WT Docket No. 10-133 (July 30, 2010); see also *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary, FCC, filed in RM-11592 (filed Aug. 10, 2010); see also *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary, FCC, filed in RM-11592; WT Docket No. 06-150; PS Docket No. 06-229; GN Docket No. 09-51; PS Docket No. 07-114 (Aug. 11, 2010); see also *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary, FCC, filed in RM-11592; RM-11487; WT Docket No. 06-150; PS Docket No. 06-229; GN Docket No. 09-51 (Aug. 23, 2010); see also Doug Hyslop & Chris Helzer, *Wireless Strategy 700 MHz Upper Band Analysis* (May 10, 2010), available in Coalition for 4G in America, Written *Ex Parte* Presentation, filed in WT Docket No. 06-150; PS Docket No. 06-229; GN Docket No. 09-51 (May 10, 2010); see also Doug Hyslop & Chris Helzer, *Wireless Strategy 700 MHz Upper Band Analysis* (July 19, 2010), available in Coalition for 4G in America, Written *Ex Parte* Presentation, filed in WT Docket No. 06-150; PS Docket No. 06-229; GN Docket No. 09-51 (July 19, 2010); see also Doug Hyslop & Chris Helzer, *Wireless Strategy Lower 700 MHz Interference Management* (July 19, 2010), available in Coalition for 4G in America, Written *Ex Parte* Presentation, filed in WT Docket No. 06-150; PS Docket No. 06-229; GN Docket No. 09-51 (Sept. 20, 2010); see also Comments of the Coalition for 4G in America, *Public Safety and Homeland Security Bureau Seeks Comment on Increasing Public Safety Interoperability By Promoting Competition for Promoting Public Safety Communications Technologies*, filed in PS Docket No. 10-168 (Sept. 20, 2010); see also *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary, FCC, filed in GN Docket No. 10-188; RM-11592 (Oct. 27, 2010); see also *Ex Parte* Letter from Charles W. Logan, Counsel to Access Spectrum, LLC, to Marlene H. Dortch, Secretary, FCC, filed in WT Docket No. 06-150; PS Docket No. 06-229; GN Docket No. 09-51; RM-11592 (Dec. 2, 2010); see also *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary, FCC, filed in GN Docket No. 10-188; RM-11592 (Dec. 7, 2010).

Still, the potential costs, both to carriers and customers, and the competitive harms associated with automated bill shock prevention measures outweigh the benefits of these alerts. The FCC should not adopt rigid, one-size-fits-all customer service and management requirements. RCA requests the FCC to allow carriers the flexibility to respond to consumer demands.

V. Challenges in the Market; Empowering Consumers.

RCA fully supports the Commission's goal, as outlined in the National Broadband Plan, to ensure robust competition and to maximize consumer welfare, innovation and investment.³² Imposing an automated bill shock requirement at the expense of consumers, while well-intended, ultimately would run counter to this goal. The regulation would reduce rural and regional carriers' competitive customer service advantage and increase the fees paid by wireless subscribers in an already highly-taxed market. The best way the FCC can achieve its goals of ensuring robust competition, maximizing consumer welfare, and building out broadband in rural America, is to address the challenges that rural and regional carriers and consumers are currently experiencing.

More specifically, RCA urges the FCC to immediately release a Notice of Proposed Rulemaking examining the competitive and economic impact on rural and regional carriers due to the lack of an interoperability standard in the 700 MHz band.³³ True interoperability throughout the 700 MHz band³⁴ is crucial for both public safety and consumers to reap the

³² Broadband Plan at 2.

³³ See 700 MHz Block A Good Faith Purchasers Alliance Petition for Rulemaking, filed in RM-11592 (Sept. 29, 2009).

³⁴ There's a significant difference between intra-operability and interoperability. When public safety talks about interoperability, they mean the ability of public safety to talk to each other on the Public Safety spectrum (700 MHz Band 14). In fact, this is "intra-operability." Equally important is actual "interoperability." Interoperability is the ability to use one device across multiple 700 MHz bands (i.e., Bands 12, 17, and 13), which provides public safety access to multiple redundant 700 MHz

economic benefits of roaming and access to the latest handsets. Device flexibility and interoperability in the 700 MHz band will allow all consumers to enjoy economies of scale, will increase handset competition while decreasing costs, and will improve service, especially in rural areas, with greater coverage and seamless roaming.

In addition to interoperability, RCA described above how its members have limited options to obtain nationwide data roaming. Consolidation in the wireless market has eliminated many potential roaming partners. However, RCA members' customers still expect nationwide coverage and comparable services to their urban counterparts. Larger carriers are blocking rural and regional carriers from obtaining data roaming with reasonable terms and conditions because there is no regulatory mandate.³⁵ RCA encourages the FCC to immediately mandate automatic data roaming, as recommended in the National Broadband Plan.³⁶

Finally, handset exclusivity exacerbates the competitive struggle for rural and regional carriers. In order to promote competition and increase consumer choice, RCA urges the FCC to take immediate, pro-consumer, pro-competition action to end handset exclusivity.³⁷

Instead of imposing unnecessary and costly billing notification obligations on rural and regional carriers, the FCC should foster competition in the wireless marketplace by ending handset exclusivity, mandating automatic roaming and ensuring interoperability among the 700 MHz spectrum bands.

networks should their Band 14 network go down and economies of scale, reducing the cost of public safety and commercial equipment.

³⁵ See *Ex Parte* Letter from Rebecca Murphy Thompson, RCA General Counsel, and Caressa D. Bennet, RTG General Counsel, to Marlene H. Dortch, Secretary, FCC, filed in WT Docket No. 05-265 (Nov. 12, 2010).

³⁶ Broadband Plan at 49.

³⁷ See letter from Rebecca Murphy Thompson, General Counsel for Rural Cellular Association, to Marlene H. Dortch, Secretary of the Federal Communications Commission, filed in WC Docket No. 05-337; CC Docket No. 96-45; WT Docket No. 05-265; WT Docket No. 09-66; and RM-11592 (June 17, 2010).

VI. Conclusion.

RCA urges the Commission not to impose unnecessary and costly bill shock obligations on rural and regional carriers. RCA supports the agency's goal of protecting and empowering consumers through access to information about their wireless services, but additional usage and measuring requirements will impose significant costs on service providers and, ultimately, the consumer. These new costs would impose a disproportionate burden on rural wireless carriers, especially as they attempt to remain competitive in a marketplace dominated by large national carriers. Not all carriers have the same billing system. RCA strongly urges the FCC not to adopt a rigid, one-size-fits-all customer service requirement. If the FCC must adopt bill shock requirements, RCA encourages the Commission to adopt flexible measures that would not unduly burden rural and regional carriers, exempt rural and regional carriers from roaming overage notifications, and delay implementation for rural and regional carriers.

To truly promote robust competition, maximize consumer welfare, encourage broadband build-out in rural America, and increase consumer choice, the FCC must act now to end exclusivity, mandate automatic roaming, and require interoperability throughout the 700 MHz spectrum.

Respectfully submitted,

/Rebecca Murphy Thompson/s/

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Exhibit A



- In-house, company run call center is staffed with local representatives from our local community.
- One-time courtesy re-rating with back credit to overage charges.
- Usage information available from a customer's device.
- Online portal to track usage and pay bills.
- Credit limits for pre-pay customers.
- Automated data jobs identify and correct erroneous charges before a customer receives the bill.
- Internal monthly meetings between customer service and billing to identify and correct any billing-related issues.



- Manual daily billing system query to identify top 15 data and airtime overages, followed by contacting these customers to notify and allow customer to move to a more robust plan. This process typically notifies customers with overages over \$20.
- Internal monthly review of data and roaming bills in excess of \$100, and proactive notification to these customers.
- Courtesy re-rates for customers that may experience overages, typically processing around 65 re-rates a month.

CELLULARONE® of East Central Illinois

- Customers are manually monitored for high voice and data usage within home area, notified if exceeding plan allowances, and provided the opportunity of moving to a more robust plan before the monthly billing cycle ends.
- Cellular One is notified when a roaming customer exceeds \$50 of voice or data usage, as included in current roaming agreements. These roaming customers are also monitored by an anti-fraud program that notifies Cellular One if a set number of

voice minutes or amount of data usage is exceeded in 24 hours. Roaming customers' accounts are reviewed in the event of notification, and the customer is notified if usage is outside of normal patterns or exceeds plan allowances.



- Currently testing a customizable system that would allow a customer to request an automated text message notification when a certain dollar threshold of fees, above the customer's plan limits, is exceeded.



- Customers are encouraged to call and check usage prior to the end of the billing cycle.
- Customers are given a one-time credit when reporting overages for the first time.
- Customers with overages who request to change plans prior to the end of a billing cycle are changed as feasible.
- High usage roamers are reported to internal customer service, who will contact customers who exceed their plan allowance.



- Belief Project:
 - Overage caps of \$50 in overage charges for a single line plan, \$150 for a family plan.
 - No contract after initial two-year commitment.
 - 5% discount for customers who sign up for paperless billing and auto pay.
 - Point redemption program for phone upgrades and other rewards.



A Southern Company

- When a new customer calls about a high bill, a more appropriate rate plan may be suggested based on that customer's usage, and the customer has the option of retroactively adjusting their rate plan and paying the amount of the newly selected rate plan, had it been effect for the entire billing period.



- New customers are currently walked through a mock-up of their first expected bill at the point of sale. The bill is an estimate based on what they have just purchased. This information is provided for the customer to take with them as they leave.
- Under the current plan, for the first six months, new customers are alerted, first by text message and then by call, before being billed if they will exceed their regular monthly charges by a threshold amount. Typically, they are offered the opportunity to retroactively adjust the plan so that no charge is incurred beyond the regular monthly charge. Existing customers are provided the same actions if their normal average charge is exceeded by a threshold amount.
- Customers may currently inquire about their voice usage through their phone or online, and can inquire about their data usage online.
- Customer care representatives currently work with customers to ensure the right rate plan and have flexibility regarding adjusting rate amounts.